

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 AID-05 CIAE-00 COME-00
EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 IO-13 /094 W
-----128458 201427Z /45

P 201111Z JUL 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 2271

C O N F I D E N T I A L LISBON 5574

E.O. 11652: GDS
TAGS: EFIN, PO
SUBJ: PORTUGUESE FINANCIAL CRISIS

1. HAD BRIEF CONVERSATION WITH CENTRAL BANK GOVERNOR
SILVA LOPES JULY 20 IN WHICH HE SAID BANK WAS STILL
CONTINUING ITS ANALYSIS OF CAUSES OF FOREIGN EXCHANGE
CRISIS. DISCUSSIONS WITH IMF HAD BEGUN AND WOULD
CONTINUE THROUGH FRIDAY.

2. SILVA LOPES SAID GOP CONTINUED TO EXPLORE POSSIBILITY
ACCELERATING DISBURSEMENTS FROM MULTILATERAL LOAN
PROGRAM, BUT RECOGNIZED THAT IT WAS PROBABLY UNREALISTIC
TO EXPECT ANYTHING MUCH BEFORE OCTOBER. THIS MIGHT
LEAVE CRITICAL SHORTAGE IN SEPTEMBER. THE GOVERNMENT
WOULD TAKE ALL STEPS WITHIN ITS MEANS TO DEAL WITH THE
SITUATION, BUT IF A GAP STILL EXISTED, HE
WONDERED ABOUT THE POSSIBILITY OF ANOTHER ESF LOAN TO
PROVIDE A BRIDGE UNTIL THE LOAN PASSED BY CONGRESS COULD
BE DISBURSED.

2. I TOLD SILVA LOPES THAT WASHINGTON WAS FOLLOWING THE
SITUATION CLOSELY AND SYMPATHETICALLY. BUT IT WAS NOT
CERTAIN THEY HAD THE MEANS TO DEAL WITH A SHORT-TERM GAP.
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IN ANY EVENT IT WOULD BE PREMATURE TO RAISE THE ISSUE NOW
SINCE WE WOULD WANT TO SEE WHAT NEW MEASURES THE GOP
INTENDED TO TAKE.

3. SILVA LOPES SAID HE UNDERSTOOD THIS COMPLETELY. THE
GOP RECOGNIZED THAT IT HAD TO COME UP WITH ITS OWN MEASURES
BEFORE TURNING TO US FOR HELP. INDEED HE WAS HOPEFUL THAT

THE STEPS THE GOP WOULD TAKE WOULD BE SUFFICIENT TO GET
THEM THROUGH THE CRISIS. HOWEVER IT WOULD AT BEST BE A NIP
AND TUCK SITUATION AND HE WANTED TO KEEP US APPRISED OF
THE POSSIBILITY THAT THE GOP MIGHT AS A LAST RESORT FIND
ITSELF OBLIGED TO REQUEST OUR HELP.

CARLUCI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, CENTRAL BANK, ECONOMIC STABILITY
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
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TAGS: EFIN, PO, (LOPES, SILVA)
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